

ORDINANCE NO. **97347**

**FIFTH SUPPLEMENTAL ORDINANCE TO THE MASTER ORDINANCE
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF CITY OF SAN
ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS,
SERIES 2003-A; APPROVING AND AUTHORIZING INSTRUMENTS AND
PROCEDURES RELATING THERETO; AND PROVIDING FOR AN
IMMEDIATE EFFECTIVE DATE UPON PASSAGE BY EIGHT
AFFIRMATIVE VOTES**

* * * * *

WHEREAS, on April 19, 2001, the City Council of the City of San Antonio, Texas adopted the "*Master Ordinance Establishing the Airport System Revenue Bond Financing Program With Respect to the Issuance of Obligations by the City of San Antonio, Texas Secured by Gross Revenues of the Airport System*" (referred to herein as the "Master Ordinance"); and

WHEREAS, unless otherwise defined herein (including Exhibit A attached hereto), terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance establishes the program under which revenue supported indebtedness attributable to the Airport System can be incurred, and pledges the Gross Revenues to the payment of Parity Obligations to be outstanding under the Master Ordinance; and

WHEREAS, on April 19, 2001, the City Council approved Ordinance No. 93790 (which is the First Supplement to the Master Ordinance) which authorized the issuance of \$50,230,000 in principal amount of "*City of San Antonio, Texas Airport System Forward Refunding Revenue Bonds, Series 2003*", dated as of April 15, 2001 (the "Series 2003 Forward Refunding Bonds"), which are not currently outstanding but are expected to be delivered on or about April 8, 2003; and

WHEREAS, on August 30, 2001, the City Council approved Ordinance No. 94463 (which is the Second Supplement to the Master Ordinance) which authorized the issuance of \$17,795,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Bonds, Series 2001*", dated as of August 15, 2001 (the "Series 2001 Bonds"), which were delivered on September 20, 2001; and

WHEREAS, on March 7, 2002, the City Council approved Ordinance No. 95388 (which is the Third Supplement to the Master Ordinance) which authorized the issuance of \$92,470,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2002*", dated as of March 1, 2002 (the "Series 2002 Bonds"), which were delivered on March 21, 2002; and

WHEREAS, on March 7, 2002, the City Council approved Ordinance No. 95390 (which acted as the Fourth Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$37,575,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2002*", dated as of March 1, 2002 (the "Series 2002 PFC Bonds"), which were delivered on March 21, 2002; and

WHEREAS, on the date of adoption of this Fifth Supplement, the City Council approved Ordinance No. _____ (which is the Sixth Supplement to the Master Ordinance) which authorized the issuance of \$3,225,000 in principal amount of "*City of San Antonio, Texas Airport System*

Revenue Refunding Bonds, Series 2003-B", dated as of April 1, 2003 (the "Series 2003-B Bonds"), which are expected to be delivered concurrently with the delivery of the bonds being issued pursuant to this Fifth Supplement (the "Series 2003-A Bonds"); and

WHEREAS, the City deems it necessary to issue an additional series of Parity Obligations pursuant to this Fifth Supplement to the Master Ordinance for the purposes hereinafter described; and

WHEREAS, prior to the adoption of the Master Ordinance, the City issued, and currently has Outstanding, several series of revenue bonds which are secured by an irrevocable first lien on and pledge of the Gross Revenues (defined in the Master Ordinance as the "Pre-2001 Parity Obligations") which will be on parity with all Parity Obligations issued in accordance with the Master Ordinance (including the obligations being issued by this Fifth Supplement), including particularly the following series of bonds:

City of San Antonio, Texas Airport System Refunding Revenue Bonds, Series 1992, dated October 1, 1992, currently outstanding in the aggregate principal amount of \$7,955,000, maturing on July 1 in the years 2003 - 2006, inclusive (the "Series 1992 Refunding Bonds"); and

WHEREAS, the City now desires to refund all of the Series 1992 Refunding Bonds, which are more specifically described as maturing in the years and in the respective principal amounts listed below and in the aggregate principal amount of \$7,955,000 (collectively, the "Refunded Bonds"):

CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REFUNDING REVENUE BONDS, SERIES 1992				
MATURITY (JULY 1)	PRINCIPAL AMOUNT MATURING IN YEAR	PRINCIPAL AMOUNT REFUNDED	STATED INTEREST RATE (%)	CUSIP No. (796242)
2003	\$1,780,000	\$1,780,000	5.625	EE1
2004	1,940,000	1,940,000	5.750	EF8
2005	1,995,000	1,995,000	5.750	EG6
2006	2,240,000	2,240,000	5.750	EH4

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, the City Council desires to call the Refunded Bonds for redemption on **May 2, 2003**, at the redemption price equal to the principal amount of such Refunded Bonds, as permitted by Ordinance No. 76679 approved by the City Council on October 15, 1992, which authorized the issuance of the Series 1992 Refunding Bonds; and

WHEREAS, the City Council hereby finds and declares a public purpose and deems it advisable to refund the Refunded Bonds in order to achieve a debt service savings and hereby finds that the refunding of the Refunded Bonds will result in a gross savings of approximately \$437,481.25 and a net present value debt service savings of approximately \$364,373.66; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds, in an amount sufficient to provide for the payment and/or redemption of the Refunded Bonds, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, *The Bank of New York Trust Company of Florida, N.A.*, as successor to the paying agency services of The Frost National Bank (which was the original paying agent/registrar for the Series 1992 Refunding Bonds), is the paying agent for the Refunded Bonds (the "Refunded Bonds Paying Agent"); and

WHEREAS, on the date of delivery of the Series 2003-A Bonds, the City will cause to be deposited with the Refunded Bonds Paying Agent proceeds of the Series 2003-A Bonds, together with other available funds of the Airport System, if necessary, in an amount sufficient to legally defease the Refunded Bonds on such date pursuant to Chapter 1207; and

WHEREAS, Chapter 1207 (specifically Section 1207.062(b), Texas Government Code) further authorizes the City to invest such deposits in direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States which mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or redemption of the Refunded Bonds; and

WHEREAS, the Series 2003-A Bonds are to be issued and delivered pursuant to laws of the State of Texas, including particularly Chapter 22, Texas Transportation Code, and Chapters 1207 and 1503, Texas Government Code; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Fifth Supplement was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS THAT:

SECTION 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Fifth Supplement, the terms used in this Fifth Supplement (except in the FORM OF SERIES 2003-A BONDS) and not otherwise defined shall have the meanings given in the Master Ordinance or in Exhibit A to this Fifth Supplement attached hereto and made a part hereof.

SECTION 2. AMOUNT, PURPOSE, AND DESIGNATION OF THE SERIES 2003-A BONDS. The "**CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2003-A**", are hereby authorized to be issued and delivered in the aggregate principal amount of \$8,175,000 **FOR THE PURPOSE OF REFUNDING ALL OF THE CITY'S OUTSTANDING AIRPORT SYSTEM REFUNDING REVENUE BONDS, SERIES 1992, AND PAYING COSTS OF ISSUANCE.**

SECTION 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF SERIES 2003-A BONDS. (a) *Terms of Series 2003-A Bonds.* The Series 2003-A Bonds shall be dated the Bond Date, shall be in the denomination of \$5,000, or any integral multiple thereof (an "Authorized Denomination"), and shall mature and be payable on July 1 in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2003	\$1,930,000	2005	\$2,020,000
2004	2,035,000	2006	2,190,000

(b) *Sale of Series 2003-A Bonds; Approval of Purchase Contract.* The Series 2003-A Bonds are hereby initially sold and shall be delivered to *Morgan Stanley & Co. Incorporated* (as senior manager of the Underwriters) for cash upon payment of **\$8,203,606** (which amount is equal to par, plus a net original issue premium of **\$77,661.45**, and less Underwriters' discount of **\$49,055.45**), plus accrued interest from the Bond Date to the date of delivery, all pursuant to the terms and provisions of the Purchase Contract in substantially the form attached hereto as Exhibit E which is hereby approved and which the Mayor and the City Clerk of the City are hereby authorized and directed to execute and deliver.

(c) *Initial Bond.* Initially there shall be issued hereunder one fully registered Series 2003-A Bond, without interest coupons, dated the Bond Date, in the aggregate principal amount stated in Section 2 above, numbered T-1 (the "Initial Bond"), and payable in principal installments in the respective principal amounts and maturity dates as shown in Section 3(a) hereof. The Initial Bond shall be registered in the name of *Morgan Stanley & Co. Incorporated*, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and, upon payment of the purchase price set forth in Section 3(a) hereof, will be delivered to Morgan Stanley & Co. Incorporated as representative of the Underwriters. The Underwriters shall have the right to exchange the Initial Bond as provided in Section 5 hereof without cost, with Series 2003-A Bonds issued in replacement thereof being in Authorized Denominations and numbered consecutively from R-1 upward, payable to the respective registered owners thereof or to the registered assignees of any of the Series 2003-A Bonds.

(d) *Offering Documents.* The City hereby approves the form and content of the Preliminary Official Statement and the Official Statement relating to the Series 2003-A Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Series 2003-A Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his or her execution thereof. The distribution and use of the Preliminary Official Statement for the Series 2003-A Bonds, dated March 6, 2003, prior to the date hereof is hereby ratified and confirmed. The City Council of the City hereby finds, determines and declares that the Preliminary Official Statement and the Official Statement were and are "deemed final" (as the term is defined in 15 C.F.R. Section 240.15c2-12) as of their respective dates.

(e) **Form of Series 2003-A Bonds.** The form of the Series 2003-A Bonds, including the form of the Initial Bond, the form of the Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (which shall be attached only to the Initial Bond), shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Fifth Supplement.

(f) **Redemption Features.** The Series 2003-A Bonds shall not be subject to redemption prior to Stated Maturity.

SECTION 4. INTEREST. The Series 2003-A Bonds shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Bond Date, until Maturity, at the following rates per annum:

MATURITY DATE (JULY 1)	INTEREST RATE (%)	MATURITY DATE (JULY 1)	INTEREST RATE (%)
2003	2.000	2005	2.000
2004	2.000	2006	2.250

Said interest shall be payable to the registered owner of any such Series 2003-A Bond in the manner provided and on the dates stated in the FORM OF SERIES 2003-A BOND set forth in Exhibit B to this Fifth Supplement.

SECTION 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM. (a) **Registration, Transfer, Conversion and Exchange; Authentication.** The City shall keep or cause to be kept at the trust office designated in the Paying Agent Agreement (the "Designated Trust Office") by *Bank One, National Association, Austin, Texas* (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Series 2003-A Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The execution of a Paying Agent/Registrar Agreement is hereby authorized. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Series 2003-A Bond to which payments with respect to the Series 2003-A Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Series 2003-A Bond or Series 2003-A Bonds. Registration of assignments, transfers, conversions and exchanges of Series 2003-A Bonds shall be made in the manner provided and with the effect stated in the FORM OF SERIES 2003-A BOND set forth in Exhibit B to this Fifth

Supplement. Each substitute Series 2003-A Bond shall bear a letter and/or number to distinguish it from each other Series 2003-A Bond.

On each substitute bond issued in exchange for or replacement of any Series 2003-A Bond issued under this Fifth Supplement there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF SERIES 2003-A BOND set forth in Exhibit B to this Fifth Supplement (the "Authentication Certificate"). It is specifically provided, however, that any Series 2003-A Bond delivered in exchange for or replacement of another Series 2003-A Bond prior to the first scheduled interest payment date on the Series 2003-A Bonds (as stated on the face thereof) shall be dated the same date as such Series 2003-A Bond, but each substitute bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute bond is delivered, unless such substitute bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute bond the interest on the Series 2003-A Bond for which it is being exchanged has not been paid, then such substitute bond shall be dated as of the date to which such interest has been paid in full. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute bond, date such substitute bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed.

The Paying Agent/Registrar promptly shall cancel all paid Series 2003-A Bonds and Series 2003-A Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other Person so as to accomplish the foregoing conversion and exchange of any Series 2003-A Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Series 2003-A Bonds in the manner prescribed herein. Pursuant to Chapter 1206, and particularly Subchapter B thereof, the duty of conversion and exchange of Series 2003-A Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Series 2003-A Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2003-A Bonds which initially were issued and delivered pursuant to this Fifth Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) ***Payment of Series 2003-A Bonds and Interest.*** The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Series 2003-A Bonds, all as provided in this Fifth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Series 2003-A Bonds.

(c) ***In General.*** The Series 2003-A Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2003-A Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Series 2003-A Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on which shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Series 2003-A Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF SERIES 2003-A BOND set forth in Exhibit B to this Fifth Supplement. The Initial Bond

initially issued and delivered pursuant to this Fifth Supplement is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Series 2003-A Bond issued in conversion of and exchange for the Initial Bond and any Series 2003-A Bond or Series 2003-A Bonds issued under this Fifth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate, in the manner hereinabove described. In lieu of the executed Authentication Certificate described above, the Initial Bond delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF SERIES 2003-A BOND below, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts.

(d) ***Substitute Paying Agent/Registrar.*** The City covenants with the registered owners of the Series 2003-A Bonds that at all times while the Series 2003-A Bonds are outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Series 2003-A Bonds under this Fifth Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 30 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Fifth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2003-A Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Series 2003-A Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Fifth Supplement, and a certified copy of this Fifth Supplement shall be delivered to each Paying Agent/Registrar.

(e) ***Book Entry Only System.*** The Series 2003-A Bonds issued on the Issuance Date in exchange for the Series 2003-A Bonds initially issued to the Underwriters shall be in the form of a separate single fully registered Series 2003-A Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2003-A Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Series 2003-A Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The City heretofore has executed and delivered to DTC a "Blanket Letter of Representations" with respect to the utilization by the City of DTC's book-entry only system. Notwithstanding any other provision of this Fifth Supplement to the contrary, so long as any Series 2003-A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Series 2003-A Bond and all notices with respect to such Series 2003-A Bond shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

With respect to Series 2003-A Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any Person on behalf of whom such a DTC Participant holds an interest in the Series 2003-A Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2003-A Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a registered owner of Series 2003-A Bonds, as shown on the Registration Books, of any notice with respect to the Series 2003-A Bonds, or (iii) the payment to any DTC Participant or any other Person, other than a registered owner of Series 2003-A Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Series 2003-A Bonds. Notwithstanding any other provision of this Fifth Supplement to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Series 2003-A Bond is registered in the Registration Books as the absolute owner of such Series 2003-A Bond for the purpose of payment of principal and interest with respect to such Series 2003-A Bond, for the purpose of registering transfers with respect to such Series 2003-A Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2003-A Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Fifth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Series 2003-A Bonds to the extent of the sum or sums so paid. No Person other than a registered owner, as shown in the Registration Books, shall receive a Series 2003-A Bond evidencing the obligation of the City to make payments of principal and interest pursuant to this Fifth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Fifth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Fifth Supplement shall refer to such new nominee of DTC.

(f) ***Successor Securities Depository.*** In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Series 2003-A Bonds that they be able to obtain certificated Series 2003-A Bonds, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2003-A Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2003-A Bonds and transfer one or more separate Series 2003-A Bonds to DTC Participants having Series 2003-A Bonds credited to their DTC accounts. In such event, the Series 2003-A Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Series 2003-A Bonds shall designate, in accordance with the provisions of this Fifth Supplement.

SECTION 6. ESTABLISHMENT OF REVENUE BOND FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Ordinance the City has provided a revised financing structure for revenue supported indebtedness to be issued or incurred for the Airport System. The Master Ordinance is intended to establish a revised master program under which revenue supported indebtedness attributable to the Airport System and payable from Gross Revenues can be incurred and which will be on a parity with the Pre-2001 Parity Obligations and all other Parity Obligations. This Fifth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment, and security of the Series 2003-A Bonds, which will be on a parity with the Pre-2001 Parity Obligations and all Parity Obligations issued in accordance with the Master Resolution and any Supplement. This Fifth Supplement and the Master Ordinance were adopted concurrently, but the Series 2003-A Bonds are being issued as Additional Parity Obligations in accordance with the requirements of Section 17 of the Master Ordinance due to the existence of the Pre-2001 Parity Obligations. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby. The Series 2003-A Bonds are hereby declared to be Parity Obligations under the Master Ordinance.

SECTION 7. SECURITY. (a) *Gross Revenues.* The Series 2003-A Bonds are special obligations of the City payable from and secured solely by the Gross Revenues pursuant to the Master Ordinance and this Fifth Supplement. The Gross Revenues are hereby pledged to the payment of the principal of, premium, if any, and interest on the Series 2003-A Bonds as the same shall become due and payable.

(b) *Bond Reserve Fund.* The Series 2003-A Bonds are to be secured by the Bond Reserve Fund. The Required Reserve Amount will not increase upon delivery of the Series 2003-A Bonds due to the fact that, concurrent with delivery of the Series 2003-A Bonds, the Refunded Bonds will be defeased and will no longer be Outstanding, and the City will realize a debt service savings. Consequently, the Average Annual Debt Service Requirements will not increase, and no additional funds will be required to be deposited into the Bond Reserve Fund upon the issuance and delivery of the 2003 Bonds.

(c) *Security Interest.* Chapter 1208, Texas Government Code, applies to the issuance of the Series 2003-A Bonds and the pledge of Gross Revenues by the City under the Master Ordinance and this Fifth Supplement, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Series 2003-A Bonds are outstanding and unpaid such that the pledge of the Gross Revenues by the City under the Master Ordinance and this Fifth Supplement is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Series 2003-A Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 8. PAYMENTS; BOND FUND. (a) *Moneys Made Available to Paying Agent.* The City agrees to pay the principal of, premium, if any, and the interest on the Series 2003-A Bonds when due. The City shall make available to the Paying Agent/Registrar, on or before such principal or interest payment date, money sufficient to pay such interest on and such principal of the Series 2003-A Bonds as will accrue or mature. The Paying Agent/Registrar shall cancel all paid Series 2003-A Bonds and shall furnish the City with an appropriate certificate of cancellation.

(b) **Bond Fund.** Pursuant to Section 7 of the Master Ordinance, moneys in the Revenue Fund shall be applied by the City on the dates and in the amounts, and in the order of priority with respect to the Funds and Accounts that such applications are described in the Master Ordinance, including making monthly deposits into the Bond Fund to provide sufficient funds to pay all principal of and interest on all Parity Obligations, including the Series 2003-A Bonds.

SECTION 9. REBATE FUND. There is hereby created and there shall be established and maintained on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund designated as the Rebate Fund. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien created by this Fifth Supplement or to the claim of any other Person, including the Holders of the Series 2003-A Bonds. Amounts deposited to the Rebate Fund, together with any investment earnings thereon, shall be held in trust and applied solely as provided in section 148 of the Code.

SECTION 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED SERIES 2003-A BONDS. (a) **Replacement Series 2003-A Bonds.** In the event any outstanding Series 2003-A Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Series 2003-A Bond, in replacement for such Series 2003-A Bond in the manner hereinafter provided.

(b) **Application for Replacement Series 2003-A Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2003-A Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2003-A Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2003-A Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2003-A Bond, as the case may be. In every case of damage or mutilation of a Series 2003-A Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Series 2003-A Bond so damaged or mutilated.

(c) **Payment in Lieu of Replacement.** Notwithstanding the foregoing provisions of this Section, in the event any such Series 2003-A Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Series 2003-A Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2003-A Bond) instead of issuing a replacement Series 2003-A Bond, provided security or indemnity is furnished as above provided in this Section.

(d) **Charge for Issuing Replacement Series 2003-A Bonds.** Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Series 2003-A Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2003-A Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Series 2003-A Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Fifth Supplement equally and proportionately with any and all other Series 2003-A Bonds duly issued under this Fifth Supplement.

(e) ***Authority for Issuing Replacement Series 2003-A Bonds.*** In accordance with Chapter 1206, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the City or any Person, and the duty of the replacement of such Series 2003-A Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Series 2003-A Bonds in the form and manner and with the effect, as provided in Section 5 of this Fifth Supplement for Series 2003-A Bonds issued in exchange and replacement for other Series 2003-A Bonds.

SECTION 11. AMENDMENT OF SUPPLEMENT. (a) ***Amendments Without Consent.*** This Fifth Supplement and the rights and obligations of the City and of the owners of the Series 2003-A Bonds may be modified or amended at any time without notice to or the consent of any owner of the Series 2003-A Bonds or any other Parity Obligations (but with prior notice to the Insurer), solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the City contained in this Fifth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the City in this Fifth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Fifth Supplement, upon receipt by the City of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Fifth Supplement;

(iii) To supplement the security for the Series 2003-A Bonds, replace or provide additional credit facilities, or change the form of the Series 2003-A Bonds or make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the owners of the Outstanding Series 2003-A Bonds;

(iv) To make any changes or amendments (A) requested by any Credit Rating Agency then rating or requested by the City to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, or (B) as may be necessary or desirable in order to obtain the approval of the Series 2003-A Bonds by the Office of the Attorney General of the State of Texas, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 18(c)(v) of this Fifth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the City in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(b) ***Amendments With Consent.*** Subject to the other provisions of this Fifth Supplement, the Insurer and the owners of Outstanding Series 2003-A Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Fifth Supplement which may be deemed necessary or desirable by the City; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Series 2003-A Bonds, the amendment of the terms and conditions in this Fifth Supplement or in the Series 2003-A Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Series 2003-A Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Series 2003-A Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Series 2003-A Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Series 2003-A Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Series 2003-A Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Series 2003-A Bonds necessary for consent to such amendment.

(c) ***Notice.*** If at any time the City shall desire to amend this Fifth Supplement other than pursuant to subsection (a) of this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Series 2003-A Bonds. Such publication is not required, however, if the City gives or causes to be given such notice in writing to each owner of Series 2003-A Bonds.

(d) ***Receipt of Consents.*** Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the City shall receive an instrument or instruments executed by the Insurer and all of the owners or the owners of at least a majority in Outstanding Principal Amount of Series 2003-A Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form

of the copy thereof on file as aforesaid, the City may adopt the amendatory ordinance in substantially the same form.

(e) ***Effect of Amendments.*** Upon the adoption by the City of any ordinance to amend this Fifth Supplement pursuant to the provisions of this Section, this Fifth Supplement shall be deemed to be amended in accordance with the amendatory ordinance, and the respective rights, duties, and obligations of the City and all the owners of then Outstanding Series 2003-A Bonds and all future owners of the Series 2003-A Bonds shall thereafter be determined, exercised, and enforced under the Master Ordinance and this Fifth Supplement, as amended.

(f) ***Consent Irrevocable.*** Any consent given by any owner of Series 2003-A Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Series 2003-A Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the City, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Series 2003-A Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) ***Ownership.*** For the purpose of this Section, the ownership and other matters relating to all Series 2003-A Bonds registered as to ownership shall be determined from the Registration Books. The Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar.

SECTION 12. COVENANTS REGARDING TAX-EXEMPTION. (a) ***Covenants.*** The City intends to issue the Series 2003-A Bonds as Tax-Exempt Debt, and to that end hereby covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Series 2003-A Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder (other than income of a "substantial user" of the portion of the Airport System being refinanced with proceeds of the Series 2003-A Bonds or a "related person" within the meaning of section 147(a) of the Code) for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to use proceeds of the Series 2003-A Bonds to redeem the Refunded Bonds within 90 days of the Issuance Date of the Series 2003-A Bonds;

(2) to take such action or refrain from such action which would result in the Series 2003-A Bonds not being "exempt facility bonds" as the term is defined in section 142 of the Code; in particular, which would result in less than 95 percent of the net proceeds being used to provide an "airport" within the meaning of section 142(a)(1) of the Code;

(3) to take such action to assure at all times while the Series 2003-A Bonds remain outstanding, that the facilities, directly or indirectly, financed with the proceeds thereof will be owned by a governmental unit;

(4) that no part of the facilities, directly or indirectly, financed with the proceeds of the Series 2003-A Bonds will constitute (A) any lodging facility, (B) any retail facility (including food or beverage facilities) in excess of a size necessary to serve passengers and employees at the exempt facility, (C) any retail facility (other than parking) for passengers or the general public located outside the exempt facility terminal, (D) any office building for individuals who are not employees of a governmental unit or of the operating authority for the exempt facility, or (E) any industrial park or manufacturing facility;

(5) that the maturity of the Series 2003-A Bonds does not exceed 120 percent of the economic life of the facilities, directly or indirectly, financed with the proceeds of the Series 2003-A Bonds, as more specifically set forth in section 147(b) of the Code;

(6) that fewer than 25 percent of the proceeds of the Series 2003-A Bonds will be used for the acquisition of land or an interest therein, unless such land is acquired for noise abatement or wetland preservation or the future use of the Airport, and there is no other significant use of such land;

(7) that any property acquired, directly or indirectly, with the proceeds of the Series 2003-A Bonds was not placed-in-service prior to such acquisition unless the provisions of section 147(d) of the Code, relating to rehabilitation, are satisfied;

(8) that the costs of issuance to be financed with the proceeds of the Series 2003-A Bonds do not exceed two (2) percent of the proceeds of the Series 2003-A Bonds;

(9) to refrain from taking any action that would result in the Series 2003-A Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(10) to refrain from using any portion of the proceeds of the Series 2003-A Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Series 2003-A Bonds, other than investment property acquired with --

- (A) proceeds of the Series 2003-A Bonds invested for a reasonable temporary period, within the meaning of Section 148 of the Code, of 90 days or less until such proceeds are needed for the purpose for which the Series 2003-A Bonds are issued,
- (B) proceeds or amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations.
- (C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Series 2003-A Bonds;

(11) to otherwise restrict the use of the proceeds of the Series 2003-A Bonds or amounts treated as proceeds of the Series 2003-A Bonds, as may be necessary, to satisfy the requirements of section 148 of the Code (relating to arbitrage); and

(12) to create and maintain a Rebate Fund, as required below, to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2003-A Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2003-A Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(13) to maintain such records as will enable the City to fulfill its responsibilities under this section and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Series 2003-A Bonds.

In order to facilitate the requirements of subsection (12) of this Section, the Rebate Fund shall be established and maintained by the City, for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other Person, including Holders and Credit Providers. Amounts on deposit in the Rebate Fund in accordance with section 148 of the Code shall be paid periodically to the United States of America in such amounts and at such times as are required by said section.

(b) **Proceeds.** The City understands that the term "proceeds" includes "disposition proceeds," as defined in the Treasury Regulations, and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Series 2003-A Bonds. It is the understanding of the City that the covenants contained in this Supplement are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify, or expand provisions of the Code, as applicable to the Series 2003-A Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2003-A Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2003-A Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of Bond Counsel, to preserve the exemption from federal income taxation of interest on the Series 2003-A Bonds under section 103 of the Code.

(c) **Disposition of Project.** The City covenants that the property constituting the portion of the Airport System being refinanced with the proceeds of the Series 2003-A Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2003-A Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion

that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Series 2003-A Bonds.

SECTION 13. FIFTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Series 2003-A Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Fifth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Series 2003-A Bonds and the pledge made in this Fifth Supplement by the City and the covenants and agreements set forth in this Fifth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Series 2003-A Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Fifth Supplement.

SECTION 14. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2003-A Bonds issued hereunder.

SECTION 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF SERIES 2003-A BONDS, whenever under the terms of this Fifth Supplement or the Series 2003-A Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Series 2003-A Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Series 2003-A Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 16. LIMITATION OF BENEFITS WITH RESPECT TO THE FIFTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Fifth Supplement or the Series 2003-A Bonds is intended or should be construed to confer upon or give to any Person other than the City, the Holders, the Insurer and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Fifth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Fifth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, the Insurer and the Paying Agent/Registrar as herein and therein provided.

SECTION 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Designated Financial Officer is hereby authorized to have control of the Series 2003-A Bonds issued hereunder and all necessary records and proceedings pertaining to the Series 2003-A Bonds pending their delivery and approval by the Attorney General of the State of Texas. In accordance with the provisions of Chapter 1202, the

Designated Financial Officer is hereby authorized to request that the Attorney General approve the Series 2003-A Bonds, in which case the Designated Financial Officer also is authorized to request that the Comptroller of Public Accounts register the Series 2003-A Bonds and to cause an appropriate legend reflecting such approval and registration to appear on the Series 2003-A Bonds. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Series 2003-A Bonds and on any Series 2003-A Bonds issued and delivered in exchange or replacement of any Series 2003-A Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2003-A Bonds. The preamble to this Fifth Supplement is hereby adopted and made a part of this Fifth Supplement for all purposes. If insurance is obtained on any of the Series 2003-A Bonds, the Series 2003-A Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

SECTION 18. COMPLIANCE WITH RULE 15c2-12. (a) *Annual Reports.* (i) The City shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 2003, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 3 of this Fifth Supplement, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If the City commissions an audit of such statements and the audit is completed within the period during which they must be provided, a copy of such audit also shall be provided in accordance with the Rule. If any such audit of such financial statements, if one is commissioned by the City, is not complete within such period, then the City shall provide unaudited financial statements and audited financial statements for the applicable fiscal year to each NRMSIR and any SID, when and if the audit report on such statements become available.

(ii) If the City changes its Fiscal Year, it will notify each NRMSIR and any SID of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(b) *Material Event Notices.* The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Series 2003-A Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Series 2003-A Bonds;
7. Modifications to rights of holders of the Series 2003-A Bonds;
8. Series 2003-A Bond calls;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2003-A Bonds; and
11. Rating changes.

The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) ***Limitations, Disclaimers, and Amendments.*** (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2003-A Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Fifth Supplement or applicable law that causes the Series 2003-A Bonds no longer to be Outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Series 2003-A Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other Person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2003-A Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY SERIES 2003-A BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Fifth Supplement for purposes of any other provision of this Fifth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2003-A Bonds in the primary offering of the Series 2003-A Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Fifth Supplement that authorizes such an amendment) of the Series 2003-A Bonds then outstanding consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such

amendment will not materially impair the interest of the registered owners and beneficial owners of the Series 2003-A Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2003-A Bonds in the primary offering of the Series 2003-A Bonds.

SECTION 19. DEFEASANCE OF SERIES 2003-A BONDS. (a) *Defeased Series 2003-A Bonds.* Any Series 2003-A Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Series 2003-A Bond"), except to the extent provided in subsection (d) of this Section, when payment of the principal of such Series 2003-A Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar (or another entity permitted by Section 1207.061, Texas Government Code, as amended, or other applicable law, which entity, together with the Paying Agent/Registrar, is referred to collectively in this Section as the "Defeasance Agent"), in accordance with the requirements of Chapter 1207, Texas Government Code, as amended, or other applicable law (which may include the use of an escrow agreement or other similar instrument - the "Future Escrow Agreement"): (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Defeasance Agent for the payment of its services until all Defeased Series 2003-A Bonds shall have become due and payable. At such time as a Series 2003-A Bond shall be deemed to be a Defeased Series 2003-A Bond hereunder, as aforesaid, such Series 2003-A Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Gross Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investment in Defeasance Securities.* Any moneys so deposited with the Defeasance Agent may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Defeasance Agent that is not required for the payment of the Series 2003-A Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any account or Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Series 2003-A Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Defeasance Agent which is not required for the payment of the Defeased Series 2003-A Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) ***Paying Agent/Registrar Services.*** Until all Defeased Series 2003-A Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Series 2003-A Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Fifth Supplement.

(d) ***Selection of Series 2003-A Bonds for Defeasance.*** In the event that the City elects to defease less than all of the principal amount of Series 2003-A Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Series 2003-A Bonds by such random method as it deems fair and appropriate.

SECTION 20. FURTHER PROCEDURES. The Mayor, any Designated Financial Officer, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Fifth Supplement, the Series 2003-A Bonds, the sale and delivery of the Series 2003-A Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Series 2003-A Bonds. Specifically, but not by way of limitation, the Designated Financial Officer shall execute a certificate detailing the use of the proceeds of the Series 2003-A Bonds.

SECTION 21. BOND INSURANCE POLICY. On the Issuance Date, the City will obtain from the Insurer a municipal bond insurance policy in support of the Series 2003-A Bonds. To that end, for so long as said policy is in effect, the ordinance requirements of the Insurer, as a condition to the issuance of said policy, attached hereto as Exhibit D hereto, are incorporated by reference into this Fifth Supplement and made a part hereof for all purposes, notwithstanding any other provision of this Fifth Supplement to the contrary.

SECTION 22. DEPOSIT WITH PAYING AGENT FOR REFUNDED BONDS; REFUNDING OF REFUNDED BONDS. Concurrently with the initial delivery of the Series 2003-A Bonds, the City shall deposit an amount from the proceeds from the sale of the Series 2003-A Bonds, together with approximately \$56,000.00 from other available funds of the City (or such other amount as may otherwise be required as determined by the Designated Financial Officer) with *The Bank of New York Trust Company of Florida, N.A.*, as paying agent for the Refunded Bonds, sufficient to provide for the refunding and legal defeasance of the Refunded Bonds, as defined and described in the preamble to this Fifth Supplement, in accordance with Chapter 1207.

SECTION 23. REDEMPTION OF REFUNDED BONDS. There is attached to this Fifth Supplement as Exhibit F, and made a part hereof for all purposes, a *NOTICE OF REDEMPTION* for the Refunded Bonds. The City hereby exercises its option to redeem prior to maturity the Refunded Bonds described in the *NOTICE OF REDEMPTION*, and the Refunded Bonds are hereby called for redemption, and shall be redeemed, prior to maturity, on the date, at the place, and at the price set forth therein.

As soon as practicable after the delivery of the Series 2003-A Bonds, and in all events at least thirty (30) days prior to the date fixed for such redemption, a copy of the *NOTICE OF REDEMPTION* (i) may be published one time in the Texas Bond Reporter or such other financial newspaper or journal of general circulation among securities dealers published in the State of Texas, and (ii) shall

be sent to all registered owners of the Refunded Bonds by first class mail postage prepaid, addressed to such registered owners at their respective addresses shown on the registration books of the paying agent/registrar for the Refunded Bonds.

Upon making the deposit described in Section 22 herein, due provision shall have been made by the City for the payment of the redemption price of the Refunded Bonds.

SECTION 24. RULES OF CONSTRUCTION. For all purposes of this Fifth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Fifth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Fifth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Fifth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named Person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Fifth Supplement is adopted by the City and any future amendments thereto or successor provisions thereof.

SECTION 25. INTERPRETATIONS. The titles and headings of the Sections and subsections of this Fifth Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

SECTION 26. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Fifth Supplement are true and correct, and the City hereby incorporates such recitals as a part of this Fifth Supplement.

SECTION 27. SEVERABILITY. If any provision of this Fifth Supplement or the application thereof to any circumstance shall be held to be invalid, the remainder of this Fifth Supplement and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Fifth Supplement would have been enacted without such invalid provision.

SECTION 28. DELEGATION OF AUTHORITY. In respect to the delegation by the City of any authority to an officer or employee of the City under Chapter 1371 to perform any duty or responsibility hereunder, the City hereby finds that a finding or determination made by such officer or employee has the same force and effect as a finding or determination made by the governing body of the City.

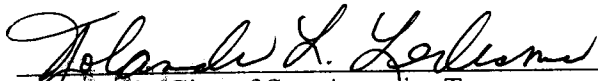
SECTION 29. REPEAL OF CONFLICTING ORDINANCES. All ordinances and all parts of any ordinances (other than the Master Ordinance) which are in conflict or inconsistent with this Fifth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

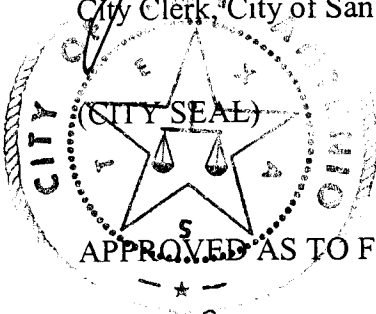
SECTION 30. EFFECTIVE DATE. Pursuant to Section 1201.028, Texas Government Code, this Fifth Supplement shall be effective immediately upon adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AT A REGULAR MEETING ON THIS 20TH DAY OF MARCH, 2003.


MAYOR

ATTEST:


City Clerk, City of San Antonio, Texas



By: 
City Attorney

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[SIGNATURE PAGE TO FIFTH SUPPLEMENTAL ORDINANCE TO
MASTER ORDINANCE FOR AIRPORT SYSTEM REVENUE BONDS]